UNIVERSITIES COUNCIL OF BRITISH COLUMBIA

THIRTEENTH ANNUAL REPORT

for the year ended

31 March 1987

31 March 1987

Hon. S. Hagen
Minister
Ministry of Advanced Education
and Job Training
Parliament Buildings
Victoria, B.C.
V8V 1X4

Dear Mr. Minister,

Pursuant to your advising Council on 10 February 1987 of your Government's intention to introduce legislation in the current session of the Legislature to dissolve the Universities Council of British Columbia effective 31 March 1987, I submit to you herewith a report outlining our activities for the current fiscal year. This report is as reasonable a facsimile as possible, within the time available, of what would have constituted Council's Thirteenth Annual Report in accordance with section 73(1)(a) of the University Act (1979).

Council believes that its efforts during the past year have laid a useful groundwork for future government-university relations. These efforts focussed on two objectives: meeting with the universities on a newly formed System Advisory Committee to review the academic priorities of the system, and reviewing the allocation process of the provincial operating grant among the universities.

While the members of Council have some reservations about the decision to remove the intermediary from your government's interaction with the universities, we certainly wish the Government well in its new direction. Moreover, we urge you and your colleagues to support in increasingly tangible ways what we have come to know as a well-managed system of three complementary first rate institutions of higher education.

On behalf of all members of Council I thank you for the opportunity to advise your government on the requirements of our universities and their importance to our Province.

Sincerely,

George Morfitt

George L. Morfitt, F.C.A.
Chairman

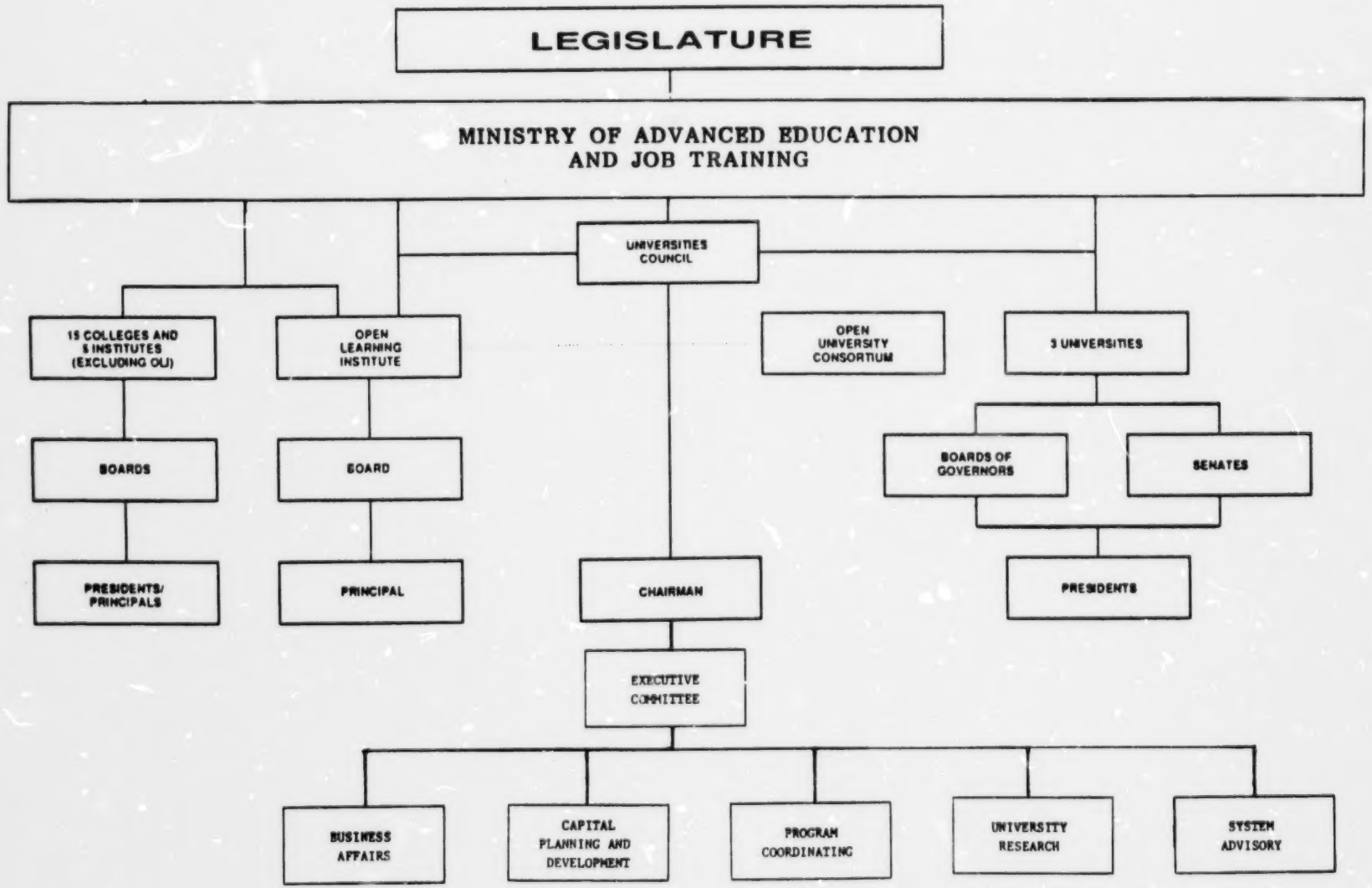
GLM/sw
enclosure

CONTENTS

	Page
Governance Chart	1
The Universities Council	2
Standing Committees of the Universities Council	8
Financial Statements (unaudited)	12
Council Activities	15
The University System: Overview	21

APPENDICES

Listing of Council's Advice to Minister	22
Summary of Provincial Grant Funding to Universities	23



Position of the Universities Council in the Governance of Post-Secondary Education in British Columbia

THE COUNCIL

The Council

The Universities Council is an independent Crown agency established subsequent to the proclamation of the Universities Act (1974), later renamed the University Act (1979). In 1978, through Order-in-Council, the Council received its autonomous legal status and accordingly has developed its own administrative procedures.

The position of the Universities Council in the governance of post-secondary education in British Columbia is illustrated in the accompanying chart. The Council serves as an intermediary body between British Columbia's three public universities and the provincial government. Its purpose is to promote the systematic development of university education and public accountability for university expenditures.

The Council is composed of a maximum of eleven members, including its Chairman. Members are appointed by the Lieutenant-Governor-in-Council; no Council member can simultaneously serve as a representative of government, as a university employee or student, or as a public servant in the Ministries of Universities or Finance. Members' terms of appointment are for three years and are renewable for a similar period.

Members of the Universities Council

George L. Morfitt, B.Comm.(Brit.Col.), F.C.A.
Chairman

A chartered accountant, Mr. Morfitt is executive vice-president of The Diamond Group. A member of the Board of Governors at The University of British Columbia from 1975 to 1981, he served as its chairman in 1977/78. Mr. Morfitt is a governor of both the B.C. School of Chartered Accountancy, and the Institute of Chartered Accountants of Canada, a past president of the Institute of Chartered Accountants of B.C., past chairman of the Sports Fund Advisory Committee to the Provincial Government and a former alderman for the Municipality of West Vancouver. Mr. Morfitt was appointed to the Council in 1981.

David A. Freeman, Q.C., B.A.(Brit.Col.), Q.C.
Vice Chairman

Mr. Freeman is a senior partner of the law firm of Freeman & Company. A graduate of Osgoode Hall, he has practised law since 1937 and was appointed Queen's Counsel in 1969. He is on the Executive Committee of the B.C. Branch of the Bar Association; he has been chairman of the Executive Committee of The British Columbia Research Council and served on the Senate of The University of British Columbia. Mr. Freeman is the co-chairman of the Canadian Council of Christians and Jews, and a past president of the Vancouver Institute and of the University Club of Vancouver. Mr. Freeman was appointed to the Council in 1978.

S. Joseph Cunliffe, C.M., B.A.Sc.(Brit.Col.), Hon. LL.D.(U. of Vic.), F.E.I.C., F.C.S.C.E., P.Eng.

Dr. Cunliffe, a consulting engineer, is Chairman of the Board of Directors of De Leuw Cather, (Canada) Ltd., and Chairman of Willis, Cunliffe, Tait and Company Ltd. He is a Fellow of the Engineering Institute of Canada, and a Fellow of the Canadian Society for Civil Engineering. Appointed to the Board of Governors at the University of Victoria in 1971, he served as its chairman from 1973 to 1981. He is currently chairman of the Board of Directors of the University of Victoria Foundation, chairman of the Construction Industry Development Council and a member of the Board of Directors of Canada Harbour Place Corporation. In service to the community, Dr. Cunliffe has been a chairman of the City of Victoria Advisory Planning Commission and was active in the development of the Victoria YM/YWCA and the Victoria Art Gallery. Dr. Cunliffe was appointed to the Council in 1981.

Alan M. Eyre, B.A.Sc.(Brit.Col.), Hon. L.L.D.(SFU), P.Eng.

Dr. Eyre was a founding member of the Board of Governors at Simon Fraser University and subsequently served on the Board of Governors at The University of British Columbia. He was a member of the Universities Council's predecessor, the Financial Advisory Board. Dr. Eyre is past chairman of the Greater Vancouver Advisory Board to the Salvation Army and has served as a lay representative on the Council of the Institute of Chartered Accountants of British Columbia. President of Dueck Chevrolet Oldsmobile Cadillac Ltd. and its affiliated companies, he is also director of a number of local and national companies. Dr. Eyre was appointed to the Council in 1980.

Rendina Hamilton, Q.C., B.A.(Tor.), LL.B. (Brit.Col.)

Mrs. Hamilton has practiced Law in Vancouver and Penticton and was appointed Queen's Counsel in 1983. She is presently a trustee of the Discovery Foundation for High Technology, a director of B.C. Telephone Company, of London Life Insurance Company and is on the advisory board of Royal Trust Company. Mrs. Hamilton is a past director of the Registered Nurses Association, past chairman of the Central Okanagan Advisory Committee to Okanagan College, past president of the B.C. School Trustees Association and a former member of the Board of Governors at The University of British Columbia. Mrs. Hamilton was appointed to the Council in 1979.

Peter S. Hyndman, B.Comm. (Hon.) (Alta.), LL.B. (UBC)

Mr. Hyndman, who was a Harvard Knox Fellow, is a practising lawyer in Vancouver with extensive experience in government and public affairs. He has served as a lecturer at The University of British Columbia, Simon Fraser University, and the Banff School of Management and was instrumental in establishing the first university student legal aid clinic in British Columbia. A keen environmentalist, he was a founding director of the B.C. Steelhead Society and the Pacific Salmon Society and was active in the campaign to save the Skagit Valley. Elected to the Legislature as M.L.A. for Vancouver

South in 1979, he served as Minister of Consumer and Corporate Affairs in 1981 and 1982. From 1967 to 1972 he served as Secretary-Treasurer of the Vancouver Bar Association, and is currently co-chairman in British Columbia of the Law For the Future Fund. Mr. Hyndman was appointed to the Council in 1984.

William J. McArthur, C.D., B.Sc.(Brit.Col.), M.D. (W.Ont.), D.P.H.(Toronto), F.R.S.T.M. & H.

Dr. McArthur is a physician who practices primary care geriatrics and is a member of the teaching staff at Shaughnessy Hospital. He served as British Columbia's first Chief Coroner from 1979 to 1981. Prior to that he was a research and development scientist in aerospace and environmental medicine, an aircraft accident investigator and an active fighter pilot in the Royal Canadian Air Force/Canadian Forces. He represented Canada on various N.A.T.O. and Allied Committees, including the Advisory Group on Aerospace Research and Development (AGARD), Committee on Aviation Medicine and on the Joint Committee on Aviation Pathology (Canada, U.S., U.K.). He was for some years Secretary of the Canadian Defence Research Board Committee on Aviation Safety and is a past President of The International Society of Air Safety Investigators. Dr. McArthur was appointed to the Council in 1985.

Ray Parkinson, B.A.(Hons.), M.D.(Brit.Col.), C.R.C.P., F.R.C.P.

Dr. Parkinson, a Vancouver psychiatrist in private practice, is a former member of the provincial Legislative Assembly. He was appointed to the Board of Governors at Simon Fraser University in 1973, serving as its chairman from 1978 to 1981. Dr. Parkinson was chairman of the Vancouver Maritime Museum, a trustee of the Vancouver Museums and Planetarium Association. He is now a trustee of Discovery Foundation for High Technology and is on the Board of the Vancouver Maritime Museum and Save Our Parkland Association. Dr. Parkinson was appointed to the Council in 1981.

G. Neil Perry, B.A.(Brit.Col.), M.P.A., A.M., Ph.D.(Harvard), LL.D.(Brit.Col.)

Dr. Perry is a retired economist, administrator and academic, a former deputy minister of Education (1965-70), dean of Commerce and Business Administration, and vice president at The University of British Columbia. In addition, he was director of the School of Public Administration at the University of Victoria. He has also held several senior posts in the World Bank and the International Monetary Fund, and was assistant deputy minister of Manpower and Immigration for Canada (1970-73). Dr. Perry was appointed to the Council in 1978.

John T. Sample, B.A., M.A., Ph.D. (Brit.Col.)

Dr. Sample is Executive Director of the Secretariat on Science, Research and Development. He is the past director of TRIUMF and a former chairman of the Department of Physics at the University of Alberta. He is a member of the Canadian Association of Physicists, the American Physics Society, the American Institute of Physics, the Canadian Research Management Association, and the Board of Directors of Pacific Isotopes and Pharmaceuticals Ltd. Dr. Sample was appointed to the Council in 1982.

The Staff

Secretary to Council - Lee Southern, B.A., M.A. (Man.), Ed.D.(Brit.Col.)
Academic Officer - Monique Layton, B.A., M.A., M.A., Ph.D.(Brit.Col.)
Financial Officer - R.A.(Sandy) Watson, B.A. (W.Ont.), C.A.
Research Officer - J. Robert Cowin, B.A. (Brit.Col.), M.P.A. (U. of Vic.)
Librarian (part-time) - Liisa Riesen-Tella, B.A., M.L.S. (Brit.Col.)
Administrative Clerk - Karen D. Reay
Typist - Sharon L. Watson

The Library

The Council library houses a specialized collection of publications on higher education administration and governance, institutional planning, program development and evaluation, finance, research, educational economics and manpower planning. The library collects published monographs, reports from councils and commissions of higher education, federal and provincial government publications, core journals in the field of higher education, and calendars from Canadian universities and B.C. colleges and institutes. In addition, the library receives documents from the three B.C. universities, including Board and Senate minutes and documents, and the newspapers of the universities and their student bodies.

The disposition of Council's library is currently under consideration. It is Council's intention, however, to make arrangements whereby, as far as practicably possible, access to it may be preserved for the members of the public interested in the study of higher education.

STANDING COMMITTEES OF THE UNIVERSITIES COUNCIL

In its 1986 planning report, Facing Tomorrow's Needs in Higher Education: British Columbia University Education into the 1990's, Council discussed its decision to replace its Long Range Planning Committee with a System Advisory Committee and to establish a University Research Committee.

As to the directions for the academic development of the university system, Council reached the following conclusions:

1. The universities and their faculties and departments are in the best position to conduct definitive program planning within their respective institutions;
2. The government has a legitimate interest in overall program planning and emphases as they apply to the development and support of the provincial economy;
3. Council has a responsibility to assist both the universities and the government in attaining their objectives in a collaborative and coherent fashion;
4. There is a need to improve the allocation of program planning priorities based on the input of each university, government and Council; and
5. The Council proposes to establish an advisory standing committee made up of Council and the presidents, acting in consultation with government representatives, as required, and responsible for reviewing material relevant to overall program planning.

System Advisory Committee

Advises on the future direction of the university system based on the recognition and adoption of a priority approach.

Membership

Chairman:
George L. Morfitt

Universities Council representatives:
Dr. S. Joseph Cunliffe
David A. Freeman, Q.C.
Mrs. Rendina Hamilton, Q.C.
Dr. William J. McArthur
Dr. Ray Parkinson

Institutional representatives:
Dr. Glen Farrell, President KNOW and Acting Principal, Open Learning Institute (from August 1986)
Ronald R. Jeffels, Principal, Open Learning Institute (to August 1986)
Dr. Howard E. Petch, President, University of Victoria
Dr. William G. Saywell, President, Simon Fraser University
Dr. David W. Strangway, President, The University of British Columbia

Staff representatives:
Dr. Monique Layton
Dr. Lee Southern

University Research Committee

Provides a coordinated approach with the Science Council to facilitate the research activities of the universities.

Membership

Chairman:
Dr. John T. Sample

Universities Council representative:
Dr. G. Neil Perry

Institutional representatives:
Dr. T.W. Calvert, Vice President Research & Information Systems, Simon Fraser University
Dr. A. Fisher, Acting Dean of Engineering, University of Victoria
Dr. P.A. Larkin, Vice President Research, The University of British Columbia

Staff representative:
J. Robert Cowin

Program Coordinating Committee

Advises Council on all matters pertaining to academic programs.

Membership
Chairman:
Mrs. Rendina Hamilton, Q.C.

Universities Council Representatives:
David A. Freeman, Q.C.
Dr. John T. Sample

Institutional Representatives:
Dr. Dan Birch, Vice President Academic, The University of British Columbia
Murray Fraser, Q.C., Vice President Academic, University of Victoria
Dr. George Ivany, Vice President Academic, Simon Fraser University
Dr. Ian Mugridge, Dean of Academic Affairs, Open Learning Institute

Staff Representative:
Dr. Monique Layton

Business Affairs Committee

Advises Council on financial matters with primary emphasis on the budgets of the universities.

Membership
Chairman:
Dr. Ray Parkinson

Universities Council Representatives:
David A. Freeman, Q.C.
Peter S. Hyndman

Institutional Representatives:
Dr. Dan Birch, Vice President Academic, The University of British Columbia
Dr. Bruce Gellatly, Vice President Administration and Finance, The University of British Columbia
Dr. George Ivany, Vice President Academic, Simon Fraser University
Robert W. McQueen, Vice President Finance, University of Victoria
Dr. Howard E. Petch, President, University of Victoria
Dr. Ernest M. Scott, Vice President Finance, Simon Fraser University
Sid Segal, Bursar and Dean of Administration, Open Learning Institute

Staff Representative:
R.A. (Sandy) Watson

Capital Planning and Development Committee

Advises Council on all matters pertaining to universities' capital expenditures.

Membership

Chairman:
Dr. S. Joseph Cunliffe

Universities Council Representatives:
Dr. Alan M. Eyre
Dr. William J. McArthur
Dr. John T. Sample

Institutional Representatives:
William DeVries, Executive Director, Administrative Services, Simon Fraser University
Dr. Bruce Gellatly, Vice President Administration and Finance, The University of British Columbia
J. Trevor Matthews, Vice President Administration, University of Victoria
Robert W. McQueen, Vice President Finance, University of Victoria
Dr. Ernest M. Scott, Vice President Finance, Simon Fraser University

Corresponding Member:
James H. Reed, Manager, University Services, Ministry of Advanced Education and Job Training

Staff Representative:
J. Robert Cowin

UNIVERSITIES COUNCIL
STATEMENT OF FINANCIAL POSITION
PROJECTED AS AT 31 MARCH 1987

[Prepared on 25 March 1987]

UNAUDITED

	1987 (NOTE)	1986
ASSETS		
Cash	$ 54,586	$ 16,864
Short term deposits		130,000
Library (Note 1)		
Furniture and equipment (Note 1)		
	54,586	146,864
Funds held for external organizations and others (Note 4)		23,012
	$ 54,586	$169,876
LIABILITIES		
Accounts payable	$	$ 16,459
Unexpended funds held for external organizations and others (Note 4)		23,012
UNEXPENDED OPERATING FUNDS		
Fund balances:		
Unappropriated	32,558	24,349
Appropriated (Note 2)	22,028	106,056
	54,586	130,405
	$ 54,586	$169,876

NOTE:

DISSOLUTION OF COUNCIL

The government intends to introduce legislation to dissolve the Universities Council effective on or about 31 March 1987. On 31 March 1987 the assets of the Council are to be placed in trust under the joint direction and control of the former chairman and former vice-chairman of Council. As trustees they will report to government on the disposition of the assets and on the discharge of liabilities, including staff termination settlements.

The unappropriated fund balance at 31 March 1987 is intended to provide for settlement of Council's outstanding accounts by the trustees, including expenses incurred in the orderly dissolution of Council.

UNIVERSITIES COUNCIL
STATEMENT OF CHANGES IN OPERATING FUND BALANCES
PROJECTED FOR THE YEAR ENDED 31 MARCH 1987

[Prepared on 25 March 1987]

UNAUDITED

	1987	1986
REVENUE		
Grant - Province of British Columbia	$530,700	$530,700
Interest earned	11,176	12,151
	541,876	542,851
EXPENDITURE		
Recurring		
Members' per diems	56,475	52,025
Employees' remuneration	265,531	255,142
Employee benefits	40,789	38,082
Travel, meetings and conferences	29,756	31,464
Administrative, office and library (Note 1)	48,884	47,462
Office rental	82,718	80,946
	524,153	505,121
Non-recurring		
Fees - independent consultants	10,375	9,000
Grants and subsidies		3,040
Furniture and equipment (Note 1)	970	304
One time payment - continuing staff	3,700	3,476
	15,045	15,820
	539,198	520,941
EXCESS OF REVENUE OVER EXPENDITURE	2,678	21,910
TRUST FUND TRANSFER (Note 4)	30,102	
DESIGNATED PROVINCIAL GRANT (Note 2)	102,000	
UNAPPROPRIATED FUND BALANCE, beginning of year	24,349	18,439
Appropriations released	106,056	
Appropriation - staff settlements (Note 2)	(232,627)	
Appropriation - equipment renewal		(16,000)
UNAPPROPRIATED FUND BALANCE, end of year	$ 32,558	$ 24,349
APPROPRIATED FUND BALANCE, beginning of year	$106,056	$105,831
Appropriations released	(106,056)	
Appropriation - equipment renewal		16,000
Appropriation - staff settlements	232,627	
Expenditure - staff settlements	(210,599)	
Expenditure - strategic planning project		(15,775)
APPROPRIATED FUND BALANCE, end of year	$ 22,028	$106,056

UNIVERSITIES COUNCIL OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
PROJECTED TO 31 MARCH 1987

[Prepared on 25 March 1987]

UNAUDITED

1. SIGNIFICANT ACCOUNTING POLICIES

a) Furniture and equipment

Office furniture and equipment purchases are charged to expenditures when acquired. The cumulative cost of office furniture and equipment charged to expenditures since 1 November 1978 amounts to $55,392 (1986 - $54,422).

b) Appropriated fund balance

Unexpended operating funds are appropriated from time to time to provide for specific expenditures to be incurred in future periods.

c) Library

Library purchases are expensed in the year of acquisition. The cumulative cost of library acquisitions charged to expenditures since 1 November 1978 amounts to $64,374 (1986 - $55,995).

2. STAFF TERMINATION SETTLEMENTS

Arising from the government's announced intention to dissolve the Universities Council, Council notified its staff on 24 February of their termination of employment effective 31 March 1987. Government-approved settlements totaling $232,627 were offered by Council to its staff and, by 25 March, offers amounting to $210,599 had been accepted.

A special provincial government grant of $102,000 is to be received before 31 March 1987 to assist Council in completing the funding of the severance agreements with each of its staff members. This grant and $130,627 of available Council funds (total $232,627) are to be appropriated for use in settlement of severance agreements.

3. INCOME TAXES

The Universities Council is an agent of the Crown in right of the Province of British Columbia. As such no income taxes are payable.

4. FUNDS HELD FOR EXTERNAL ORGANIZATIONS AND OTHERS

The Universities Council acts as recipient and disbursing agent of grant funding provided by the Ministry of Advanced Education and Job Training (formerly Ministry of Post-Secondary Education) for certain external organizations and for designated projects or activities. At the Ministry's direction, the balance of funds on hand on 20 March 1987 ($30,102) was transferred to the Universities Council for disbursement under the direction of the trustees after 31 March 1987.

During the past year, the Universities Council, as an agent of the Crown of the Province of British Columbia, received $693,136 (1986 - $8,424,000) of private contributions for university funding and remitted these funds to the designated provincial universities.

5. COMMITMENT

The Universities Council is lessee in respect of:

- Office premises - to 30 September 1989 at an annual cost of approximately $77,500;
- Photocopier - to 30 June 1991 at an annual cost of approximately $5,100, with an early purchase option of $14,515 exerciseable on or before 15 June 1987.

The government has assumed these ongoing contractual obligations from 31 March 1987.

6. STATEMENT OF CHANGES IN FINANCIAL POSITION

A Statement of Changes in Financial Position has not been prepared as its inclusion with these financial statements would not be meaningful.

COUNCIL ACTIVITIES

The University Act (1979) charges the Universities Council with a set of responsibilities related to the institutions' finances, the coordination of their academic activities, and the planning of educational development for the university system as a whole.

To accomplish these tasks Council generally utilizes its standing committees, which are composed of Council members and senior university officials, and whose administrative and research activities are performed by Council's professional staff. Occasionally, Council retains consultants for highly specialized assistance.

As described earlier, Council reorganized its committee structure as a result of the conclusions of its planning report, Facing Tomorrow's Needs in Higher Education: British Columbia University Education into the 1990's.

This section reports on operating, capital and academic matters which have influenced the activities of Council over the past year.

A listing of Council's advice to the Minister during the fiscal year is appended to this report for reference and information. In addition, a separate schedule summarizes provincial grant funding provided to the university system, and each university's share thereof, for the fiscal year commencing 1 April 1986.

FINANCIAL OPERATIONS

Operating Budget

The annual institutional operating budget, developed by the central administration of each university and approved by its Board of Governors, assist in the realization of university goals and objectives. Constructed within the bounds of known or expected revenues and existing or proposed policies, the annual expenditure budget indicates plans for the acquisition and allocation of financial and staff resources in accommodating anticipated levels of enrolment and in providing for research and for community service. The current year's operating budget plans also serve as the reference and base for each university's annual grant submissions to Council and to government for the ensuing fiscal year.

Since operating grants from the provincial government account for 80 percent or more of operating revenues, the universities have repeatedly stressed the need for grant funding predictability to enhance institutional planning.

In its recent advice to government, Council has advanced the concept of a triennial understanding with government whereby minimum annual funding levels would be known in advance and the universities would indicate the maximum number of students to be accommodated within this announced multi-year level of funding.

Fund for Excellence in Education (F.E.E.)

In 1986, the government announced a $600 million Fund for Excellence in Education (F.E.E.) to finance two areas of spending over three years, namely: adjustments to the regular operating budgets and special initiatives. In the first year (1986/87), $110 million was made available from the Fund for all sectors of education.

The Minister indicated that Council, after consultation with the universities, would be allocating the Ministry-designated appropriations. Further, Council's advice was sought concerning the funding of universities' requests for new projects and Centres of Excellence proposals from the F.E.E.

Excluding special initiative funds of $7.760 million specifically allocated to individual universities by the Ministry for approved projects, the Council's allocation to the universities of Ministry-designated appropriations amounted to $23.1 million, as summarized below.

Ministry-Designated University Appropriations from the Fund for Excellence in Education [$13.1 million (initial); and $10.0 million (subsequent)]	UBC	SFU	UVic
Adjustments			
Non-wage inflation and insurance increases	$ 1,940,000	$ 960,000	$ 800,000
Faculty adjustments	2,600,000	975,000	325,000
Faculty renewal	1,525,000	775,000	700,000
Faculty merit pay increases and renewal	4,623,000	1,200,000	1,177,000
	10,688,000	3,910,000	3,002,000
Research Activities			
Individual universities	600,000	150,000	150,000
Inter-university collaboration	34,000	33,000	33,000
Engineering Education	750,000	1,050,000	2,700,000
TOTALS $23,100,000	$12,072,000	$5,143,000	$5,885,000

Concerning the special initiatives and Centres of Excellence proposals from the universities, Council recommended to the Minister in late May on funding for three specific projects and, more generally, future appropriations from the F.E.E.

In summary, $7.760 million was provided to the universities in 1986/87 for specific projects, and these allocations consisted of:

	UBC	SFU	UVic
Centres of Excellence projects	$3,480,000	$ 900,000	$ 820,000
Teaching hospitals	1,180,000		
Engineering expansion: program		630,000	
equipment			750,000
TOTALS	$4,660,000	$1,530,000	$1,570,000

Operating Grant Allocation

Council allocates among the universities the general purpose operating grant provided by the provincial government. In recent years, with the total grant being either static or reduced, Council's allocations have reflected a continuation of previous grant shares, with adjustments thereto recognized in 1985/86 through the University Adjustments Program (U.A.P.) and in 1986/87 through the F.E.E.

The government Estimates, tabled in late March 1986, confirmed that the general operating grant for 1986/87 was unchanged from the base grant of $271,645,850 provided for 1985/86.

Under the circumstances, and following consultation with the universities, Council concluded that it would be both impractical and inequitable to impose any substantial variation in the distribution of the general operating grant from that for the previous year. Accordingly, Council's decision on the allocation of the 1986/87 general operating grant was to divide the grant in the same proportions as in the 1985/86 year, namely:

THE UNIVERSITY OF BRITISH COLUMBIA	$163,093,046
SIMON FRASER UNIVERSITY	60,074,525
UNIVERSITY OF VICTORIA	48,478,279

In July 1986 Council notified the universities of its intention to review the allocation process and invited institutional participation in that review. As well, Council retained two special advisors for this purpose. Following lengthy discussion with the university presidents about the procedure for this review, it was finally agreed that the universities would collectively conduct their own review in an attempt to devise a new allocation formula, and that Council would independently review the allocation process. Rather than pursue a formulaic solution, Council decided, at the same time, to explore the usefulness of developing performance indicators as a partial basis for constructing a judgmental framework to address allocation decisions. Council's work was suspended in February and its interim results have been separately reported to the Ministry.

The university Presidents have indicated that a list of agreed allocation principles might be developed early in 1987, with an agreed allocation formula to follow later. Moreover, they have agreed to accept for a further year (1987/88) a continuation of the existing grant shares.

University Data Bank

Each British Columbia university maintains considerable data descriptive of its operations. In order to bring together much of this information, as well as readily available information on Canadian universities in other provinces, a university data bank for British Columbia is being developed.

In June 1986, the first phase of a data bank for British Columbia universities was presented to the Ministry on behalf of the financial vice presidents. This submission, culminating earlier work in developing a set of common data elements, included a comprehensive index of data and sources, explanatory notes, definitions and terminology.

The next phase of the project consists of reconciling the requirements of the Ministry and the universities.

CAPITAL DEVELOPMENT

The primary activity of the Capital Planning and Development Committee in 1986/87 was to document the condition and capital renewal requirements of the physical plant of each university, in order to provide information about protecting the existing investment in plant assets. A study conducted at UBC was extended during 1986/87 to SFU and UVic to identify total provincial needs. Council retained a consultant to ensure the data collected at each university were comparable and sufficiently reliable for planning purposes. In addition to this study documenting the effect of past events on the present plant, Council obtained the results for B.C. of a national study predicting future renewal requirements of the present plant.

As well, some summary data about the space inventory were collected. As one university was reviewing its space data base, detailed reporting of space shortfalls and surpluses for the system was postponed.

In March 1986 Council advised the Minister about university building priorities. One of the top priorities, namely the Applied Science Building at SFU, was subsequently approved by the government. Council considered its advice about other buildings to remain valid.

A concern has existed for some time about the funding of the operating costs of university space in off-campus teaching hospitals. Council requested a Council member to investigate this specialized topic affecting only one university and subsequently submitted a report and recommendations to the government in November 1986.

In addition, the normal annual functions of Council, such as recommending allocations among the universities of equipment grants and Public Works & Renovations borrowing authorizations, were undertaken.

ACADEMIC ACTIVITIES

Academic Priorities

As mentioned above, Council's planning report issued last vear recommended that the review of academic priorities become the responsibility of a new System Advisory Committee composed of Council members and university representatives. It was intended that this senior committee would adopt both an institutional and a system viewpoint in the consideration of academic priorities. Council strongly encourages the government to follow a similar coordinating approach.

New Program Approval

The new programs reviewed and approved this past year by Council are expected to be implemented through internal resource reallocation by each sponsoring university.

As well as the university's financial ability to support new programs, the main criteria considered in the Council's review and approval process of program proposals are public need and academic quality. Another important consideration is how well the proposal fits into the university's mission and role.

The new programs approved this year include the B.Sc. in Dietetics and the PhD in Urban Land Economics at The University of British Columbia, and the Diploma in Fine Arts at the University of Victoria. The Revised Teacher Education Program proposed by The University of British Columbia was also reviewed by the Council, which offered its advice to the Ministry on the matter of the changes proposed by UBC to its current program.

The universities have forwarded to the Council a number of programs for consideration during the academic year 1986-87. These programs include:

UBC:
- M.Sc. and PhD in Experimental Medicine

SFU:
- Certificate in Liberal Arts
- Major in Applied Physics
- Minor in Quaternary Studies

UVIC:
- Minor Program
- B.A. General/B.A. Minor in Women's Studies
- B.A. General/B.A. Minor in Medieval Studies
- B.A. Canadian Literature (combined major in English and French)
- Diploma in the Humanities
- B.Eng. in Mechanical Engineering

Council recommends that the Ministry review Council's program guidelines in order that they may be adapted to Ministerial needs and criteria, and that the above mentioned programs then be reviewed in the light of these guidelines.

Distance Education

In view of the reorganization planned by the Open University Consortium, leading to the establishment of the Open Learning Authority, Council recommends that the Ministry consider the articulation and rationalization of all university, institute and college distance education programs, whether offered as credit courses or as professional development programs.

University Research

Council has proposed a broader approach, coordinated with the Science Council of B.C., in addressing the research activities of the universities. Proposed agendae include:

- assisting the provincial Government in making a more systematic use of university research capacity for solving problems of public concern, some identified by the Ministry;
- devising some means of assuring that appropriate amounts are allocated to research equipment;
- establishing responsibility for covering substantial overhead costs of research;
- distinguishing related roles for the provincial and federal Governments in the support of research.

The committee provided advice to Council on recommendations for the disposition of a designated $1.0 million appropriation from the Fund for Excellence in Education for research activities.

THE UNIVERSITY SYSTEM: OVERVIEW

Council's annual reports in past have included an overview section which comments on recent trends in university enrolments, degrees conferred, research grants, facilities and finance. Such overview regularly draws on the historical statistical data presented in tabular form at the back of each report.

The updating of the statistical data remains to be completed for 1986/87 and it is recommended that the Ministry undertake this project in order that current developments may be considered in the context of past trends. The inclusion of staffing information is also recommended which would incorporate the historical data provided by the universities in the fall of 1986 in conjunction with the review of their annual budget submission.

A listing and description of the various data, the names of the contacts in the universities responsible for providing this information in the past, and timing considerations for their collection have been separately provided to the Ministry.

LISTING OF COUNCIL'S ADVICE TO THE MINISTER DURING THE FISCAL YEAR ENDED 31 MARCH 1987

	DATE
1. OPERATING GRANTS 1986/87: ALLOCATION	
. University operating contributions $271,645,850	12 May 1986
. University appropriations from the Fund for Excellence in Education:	
Initially designated sum $13.1 million.....	12 May
Susbsequently designated sum $10.0 million....	27 June
	26 August
2. CENTRES OF EXCELLENCE PROPOSALS TO F.E.E. [UNIVERSITY SUBMISSIONS]	
. Recommendations on three proposals.....	12 May
. Advice concerning future appropriations.....	27 May
3. EQUIPMENT AND PLANT FUNDING	
. Public Works and Renovations	
Recommended allocation of $8.0 million.....	12 May
. Cash capital equipment	
Recommended allocation of $1.25 million.....	25 April
. Major equipment: borrowing authorization	
Recommended allocation of $2.0 million.....	26 August
4. OPERATING GRANTS 1987/88: FUNDING ADVICE	
. Summary of university submission requests.....	15 September
. Distance Education.....	7 November
. Analysis of university requests.....	13 November
. Funding recommendation.....	7 February
5. OTHER	
. Funding of university chairs.....	4 April
. University space in teaching hospitals (report)..	7 November
. Engineering education expansion (report).....	15 December
. Accreditation of degree-granting private institutions.....	6 January 1987

SUMMARY OF PROVINCIAL GRANT FUNDING TO UNIVERSITIES
FOR THE FISCAL YEAR COMMENCING 1 APRIL 1986

(With comparative totals for the previous year)

TOTALS		UBC	SFU	UVIC
	UNDESIGNATED			
$271,645,850	General Purpose Operating Grant	$163,093,046	$60,074,525	$48,478,279
	DESIGNATED			
	Ministry Subvotes			
2,706,700	Distance Education	812,011	924,798	969,891
	Operating Contributions (Other)			
1,250,000	Capital equipment grant	750,000	275,000	225,000
3,956,700		1,562,011	1,199,798	1,194,891
	Fund for Excellence in Education Appropriations			
17,600,000	Adjustments	10,688,000	3,910,000	3,002,000
1,000,000	Research activities	634,000	183,000	183,000
4,500,000	Engineering education	750,000	1,050,000	2,700,000
5,200,000	Centres of excellence projects	3,480,000	900,000	820,000
1,180,000	Teaching hospitals	1,180,000		
630,000	Engineering expansion: program		630,000	
750,000	equipment			750,000
30,860,000		16,732,000	6,673,000	7,455,000
	Job Trac Programs: Student Aid [Ministry of Labour]			
2,400,000	Graduate student assistantships	1,518,000	564,000	318,000
600,000	Co-operative education	96,000	252,000	252,000
3,000,000		1,614,000	816,000	570,000
37,816,700	TOTAL DESIGNATED	19,908,011	8,688,798	9,219,891
$309,462,550	TOTAL° 1986/87	$183,001,057	$68,763,323	$57,698,170
$292,527,450	TOTAL° 1985/86	$172,552,030	$65,328,911	$54,646,509

° Undesignated and designated grants; amounts exclude funds raised through issuance of capital debentures.